CALIFORNIA STATE LANDS COMMISSION
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

PAUL D. THAYER, *Executive Officer*
(916) 574-1800 FAX (916) 574-1810
California Relay Service From TDD Phone **1-800-735-2922**
from Voice Phone **1-800-735-2929**

Contact Phone: **(916) 574-1889**
Contact FAX: **(916) 574-1885**

NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL IMPACT REPORT AND NOTICE OF PUBLIC SCOPING MEETING

CSLC EIR #742
Project: Hanson Sand Mining
CSLC Ref File: W30128.2, R21705
SCH #2007072036

Date: July 10, 2007

To: Interested Parties

Project: Hanson Marine Operations and Suisun Associates (Applicant or Hanson) propose to continue mining sand at the reduced rate of 2,040,000 cubic yards per year within Central San Francisco Bay and the western delta (Bay-Delta estuary). The Applicant is already mining in these areas at the rate of 2,290,000 cubic yards per year under current leases and related permits.

Applicant: Hanson Marine Operations
3000 Busch Road
Pleasanton, CA 94566

Location:

The project is located in Central San Francisco Bay, Suisun Bay, and the Middle Ground Shoals.

Purpose of Public Scoping Process:

The California State Lands Commission (CSLC) will be the Lead Agency under the California Environmental Quality Act (CEQA), and will prepare an Environmental Impact Report (EIR) for this project.

The purpose of this Notice of Preparation / Notice of Public Scoping Meeting is to obtain agency and the public's views as to the scope and content of the environmental information and analysis, including the significant environmental issues and reasonable alternatives and mitigation measures that should be included in the draft EIR. Applicable agencies will need to use the EIR when considering related permits or other approvals for the Project.

Due to the time limits mandated by State law, written comments must be sent by **August 10th, 2007.** Please send your comments at the earliest possible date to:

Sarah Mongano, Environmental Scientist
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825
FAX: (916) 574-1885 E-mail: mongans@slc.ca.gov

NOTE: You are encouraged to submit electronic copies of your comments in Microsoft WORD format. If comments are faxed or sent by e-mail, please also mail a copy to ensure that a clean copy is received by this office.

Pursuant to Section 15083, Title 14, California Code of Regulations, the CSLC will also conduct two public scoping meetings for the proposed Project to receive oral testimony at the time and place listed below:

DATE: Monday July 30th, 2007
TIME: 3:00 PM and 6:30 PM
LOCATION: Oakland Public Library, Dimon Branch
3565 Fruitvale Avenue
Oakland, CA 94602

If you have any questions or would like a copy of this notice or additional information, please contact Sarah Mongano at the above address, by phone (916) 574-1889, or e-mail at mongans@slc.ca.gov. Copies of this Notice and other information will also be available at the public scoping meeting and on the CSLC web page: www.slc.ca.gov.

Signature: _____ Date: _____
Sarah Mongano
Environmental Scientist

1. PROJECT DESCRIPTION

Hanson Marine Operations and Suisun Associates (Applicant or Hanson) has applied for renewed leases and related permits that would allow them to continue mining sand for 10 years following the end of the regular 10-year term that ends in June, 2008. The purpose of this sand mining is to obtain marine aggregate, which is primarily used for construction purposes within the greater San Francisco Bay area.

The Applicant's mining activities currently occur within Central San Francisco Bay, Middle Ground Shoal and within the navigation channels of Suisun Bay. Sand mining does not occur uniformly within the region, but rather is clustered within specific areas, typically characterized by high river or tidal velocities and sand deposits having a low percentage of fine material (silts, clay, and mud). Mining events typically last approximately 3.0 to 5.5 hours, during which time approximately 1,500 to 2,500 cubic yards of sand is harvested. During mining, water is entrained into the suction head creating a water and sand slurry to mobilize sand and pump it into a hopper barge. Sand mining within Central Bay occurs typically at water depths ranging from 30 to 90 feet. Mining within the navigation channels of Middle Ground Shoal and Suisun Bay typically occurs in waters 15 to 45 feet deep.

Hanson entered the construction sand mining business in 1999 when it acquired two companies that held the construction sand mining leases and permits that Hanson operates under today. Sand mining activities are ongoing under current leases and related permits. Therefore, the proposed environmental document will examine the effects of authorizing the continuation of sand mining over the proposed 10-year extension period using equipment and methods that are substantially the same as those used under the current leases and permits. The proposed document will also examine the effects of the changes in mining volumes overall and in individual lease areas as presented in Table 1.

State Lands Commission and Other Leases	Currently Permitted (cubic yards)	Requested Amended Amounts (cubic yards)	Difference (cubic yards)
PRC 709.1: Presidio Shoals (Hanson)	540,000	340,000	(200,000)
PRC 2036.1: Point Knox (Hanson)	300,000	450,000	150,000
PRC 7779.1: Point Knox (Hanson)	400,000	550,000	150,000
PRC 7780.1: Alcatraz (Hanson)	150,000	200,000	50,000
PRC 7781.1: Suisun Associates (Hanson & Jerico Joint Venture)	100,000	300,000	200,000
State Lands Totals: Central SF Bay & Suisun	1,490,000	1,840,000	350,000
Private Leases			
Grossi Middle Ground: Corps 25653N (Hanson)	250,000	25,000	(225,000)
Grossi Middle Ground: Corps 24996N (Hanson)	300,000	25,000	(275,000)
Grossi Middle Ground: Corps - 24913N (Jerico)	250,000	150,000	(100,000)
Private Lease Totals: Middle Ground	800,000	200,000	(600,000)
All Lease Totals	2,290,000	2,040,000	(250,000)

Table 1

1.1 Project Location

The project is located in Central San Francisco Bay, Suisun Bay, and the Middle Ground Shoals as shown in Figure 1.

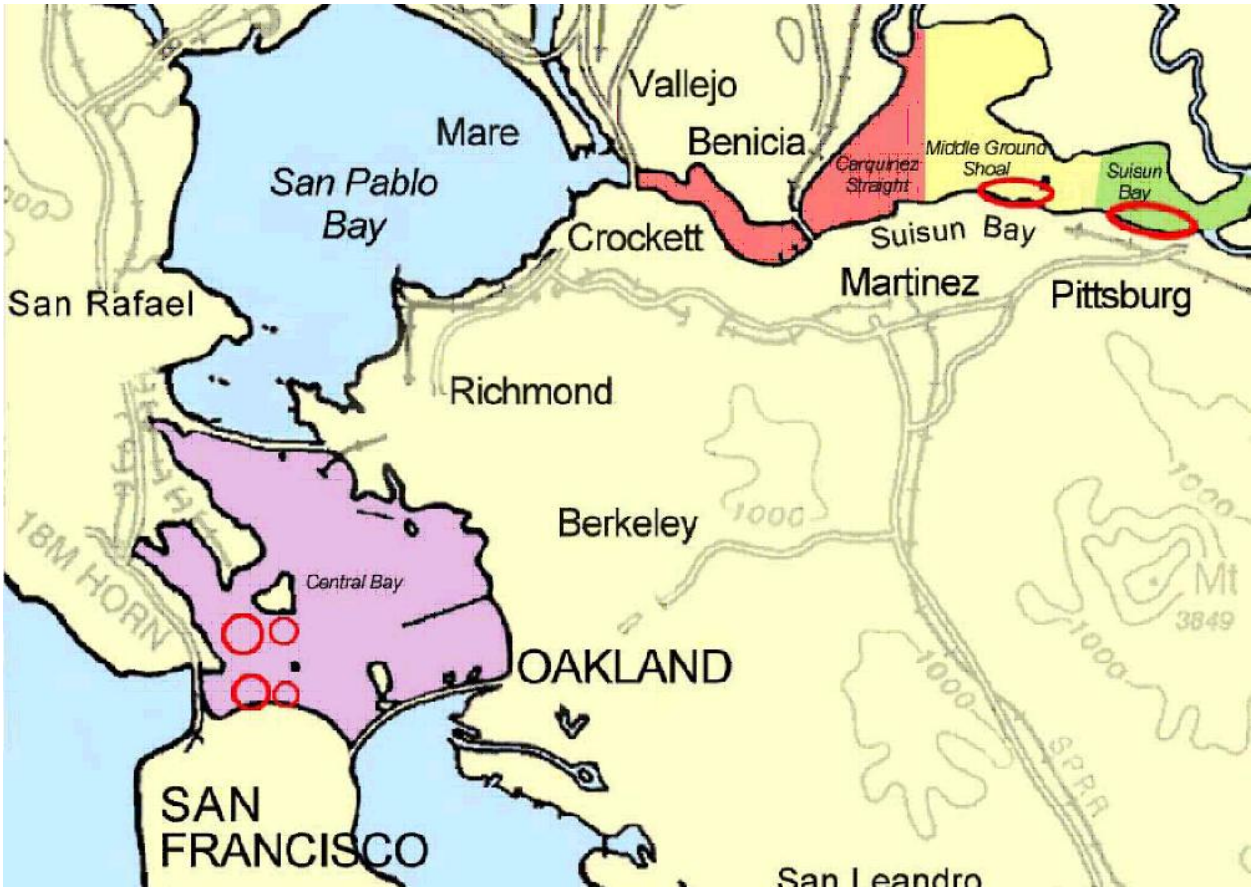

Figure 1 General areas of sand mining within the San Francisco Bay-Delta estuary shown within the red circles.

1.2 Project Objective

The Applicant has identified the following objective for the Hanson Sand Mining Project:

- To continue mining marine aggregate at an economically viable level for the next 10 years.

1.3 Permits and Permitting Agencies

In addition to action by the CSLC, the proposed Project will require permits and approvals from reviewing authorities and regulatory agencies. These include, but are not limited to:

- Army Corps of Engineers (ACOE): The Army Corps of Engineers has jurisdiction over sand mining under Section 10 of the Rivers and Harbors Act. ACOE issues permits regulating sand mining within the estuary;

- U.S. Fish and Wildlife Service (USFWS): Federal and state law requires consultation and coordination with USFWS as part of the permitting and associated environmental review process. USFWS consults on proposed Federal actions including approval of ACOE permits for sand mining, to ensure that these activities do not jeopardize federally listed endangered or threatened species under NMFS jurisdiction or adversely modify designated critical habitat for such species within the estuary;

- National Marine Fisheries Service (NMFS): Federal and state laws also require consultation and coordination with NMFS as part of the permitting and associated environmental review process. NMFS consults on proposed Federal actions, including approval of ACOE permits for sand mining, to ensure that these activities do not jeopardize federally listed endangered or threatened species under NMFS jurisdiction or adversely modify designated critical habitat for such species within the estuary. NMFS also consults on activities that could affect Essential Fish Habitat (EFH) designated under the Magnuson-Stevens Act;

- Bay Conservation and Development Commission (BCDC): The BCDC is charged with the protection and enhancement of San Francisco Bay. The McAteer-Petris Act, Cal. Gov. Code § 66632(a), requires a permit from the San Francisco Bay Conservation Development Commission for any activity that extracts materials from San Francisco or Suisun Bay. The BCDC makes a determination of consistency with applicable BCDC policies, including the Subtidal Areas policy and the Fish, Aquatic Organisms and Wildlife policy, as part of authorizing permits that regulate sand mining activity within the estuary;

- San Francisco Bay Regional Water Quality Control Board (SFBRWQCB): Under the Porter-Cologne Water Quality Control Act, the San Francisco Bay Regional Water Quality Control Board has jurisdiction over sand mining activities for the purpose of protecting water quality in San Francisco Bay and the western delta;

- California Department of Fish and Game (CDFG): CDFG administers the California Endangered Species Act and as a trustee agency comments on potential impacts on fish, wildlife and their habitat that could result from projects authorized, funded or carried out by Federal, state or local agencies; and

- California Department of Conservation: Pursuant to the Surface Mining and Reclamation Act (SMARA - Cal. Pub. Res. Code § 2710 et. Seq.), the State Mining & Geology Board has jurisdiction over mining and dredging activities.

2. ALTERNATIVES

In accordance with Section 15126.6 of the CEQA Guidelines (California Governor's Office of Planning and Research 2001), an EIR must "describe a range of reasonable alternatives to the Project, or to the location of the Project, which would feasibly attain most the basic objectives of the Project, but would avoid or substantially lessen any of the significant effects of the Project, and evaluate the comparative merits of the alternatives." The State CEQA Guidelines also require that a No Project Alternative be evaluated, and that under specific circumstances, an environmentally superior alternative be designated from among the remaining alternatives.

2.1 ALTERNATIVES PROPOSED FOR CONSIDERATION

As required under the CEQA, the EIR will include a discussion of the proposed Project and the No Project Alternative. Under the No Project Alternative, all sand mining operations within the leased areas would cease. Additional alternatives will be developed based on information received during the public scoping process and as a result of the environmental analysis.

3. SCOPE OF EIR

Pursuant to State CEQA Guidelines section 15060, the CSLC staff conducted a preliminary review of the proposed Project. Based on the potential for significant impacts resulting from the proposed Project, an EIR was deemed necessary. A preliminary listing of issues to be discussed in the EIR is provided below. Additional issues may be identified at the public scoping meeting and in written comments.

Four designations are used when examining the potential for impacts according to CEQA issue areas. These designations are:

Potentially Significant Impact (Class I): Any impact that could be significant, and for which no mitigation has been identified or implemented. If any potentially significant impacts are identified and cannot be mitigated, a Statement of Overriding Considerations is required should the proposed Project be approved.

Less-Than-Significant Impact with Mitigation Incorporated (Class II): Any impact that could be significant, but which requires mitigation to reduce the impact to a less-than-significant level. Impacts in this category are otherwise considered potentially significant impacts, but ones for which mitigation measures have been designed and will be enforced in order to reduce said impacts to below applicable significance thresholds.

Less-Than-Significant Impact (Class III): Any impact would not be considered significant under the CEQA relative to existing standards.

Beneficial Impact (Class IV): The Project would provide an improvement to an issue area in comparison to the baseline information.

The estimations of impact levels used for this Notice of Preparation are based solely on preliminary documents and information provided by the applicant and do not preclude findings of significance that will be made during the preparation of the EIR, including findings that could change the significance of an impact and how it will need to be addressed within the EIR.

The two categories of potentially significant impacts (Class I and Class II) will be examined first, followed by the remaining two categories of less-than-significant impacts. Afterward, the special impact areas of Cumulative Impacts, Growth-Inducing Impacts and Environmental Justice will be discussed.

A major study was completed in October of 2004 by Hanson Environmental Inc. (Sand Study 2004) to evaluate potential environmental effects of sand mining and address issues that had arisen during the process of renewing individual permits and approvals in recent years. The Sand Study 2004 was a compilation and evaluation of existing information from the scientific literature and generally did not present new scientific investigatory results. The study summarized the physical and water quality characteristics of the Bay-Delta Estuary, including sediment dynamics, bathymetry and aquatic habitats that could be impacted by sand mining. The Sand Study 2004 may assist in providing a basis to analyze the impacts that may result from extending the sand mining leases and granting related authorizations for the additional 10-year term.

3.1 Potentially Significant Impacts to be addressed in the EIR:

3.1.1 Air Quality

An Air Quality impact is considered significant if it:

- Conflicts with or obstructs implementation of the applicable air quality plan;
- Violates any air quality standard or contribute substantially to an existing or projected air quality violation;
- Results in a cumulatively considerable net increase of any criteria pollutant for which the project region is in nonattainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors);
- Exposes sensitive receptors to substantial pollutant concentrations; or
- Creates objectionable odors affecting a substantial number of people.

The proposed Project is not anticipated to involve operational emissions greater than those presently resulting from current operations. Current operations do not violate any air quality standard or contribute substantially to an existing or projected air quality

violation, and no changes to those operations are proposed. The primary source of long term operational impacts of the proposed Project will be from operation of the barges which would generate emissions of criteria. Criteria air pollutants include ozone, carbon monoxide (CO), nitrogen dioxide (NO_2), sulfur dioxide (SO_2), particulate matter (PM_{10} and $PM_{2.5}$), and lead. The operation of the barges would also generate greenhouse gas emissions that are known to contribute to global warming effects.

3.1.2 Biological Resources

A Biological Resource impact is considered significant if:

- There is a potential for any part of the population of a special status species (such as State or Federally Endangered species) to be directly affected or indirectly harmed through the disturbance or loss of its habitat.

- A net loss occurs in the functional habitat value of a sensitive biological habitat, or any Area of Special Biological Significance.

- There is a potential for the movement or migration of fish to be impeded.

- A substantial loss occurs in the population or habitat of any native fish or vegetation or if there is an overall loss of biological diversity, with substantial defined as any change that could be detected over natural variability.

The proposed Project site supports habitat for several special status aquatic species, including Delta smelt, Winter-run Chinook salmon, Spring-run Chinook salmon, Central Valley and Central Coast steelhead, and green sturgeon. These species, as well as their habitats, could potentially be disturbed or harmed during mining activities. It also supports Essential Fish Habitat for Delta smelt, Winter-run Chinook salmon, Spring-run Chinook salmon, Pacific salmon, Coastal Pelagic Species, Central Valley and Central Coast steelhead, and West Coast Groundfish. The Sand Study 2004 analyzed Bay-Delta Estuary physical conditions, including aquatic habitat conditions, which have been affected by marine sand mining and other human activities. It suggested areas where the potential for cumulative environmental effects may exist and described subject areas where additional studies would help to better understand and address potential environmental issues. Additional surveys, including but not limited to, bathymetric surveys by either single or multi-beam sonar, benthic surveys, and an entrainment survey, may be necessary to adequately determine the effect of continued sand mining on biological resources.

3.1.3 Cultural Resources

A Cultural Resources impact is considered significant if it:

- Results in damage to, the disruption of, or otherwise adversely affects a property that is listed in the California Register of Historic Resources (CRHR) or a local register of historical resources as per section 5020.1 of the Public Resources Code.

- Results in damage to, the disruption of, or otherwise adversely affects an important archaeological resource (prehistoric or historic) such that its integrity could be compromised or its eligibility for future listing in the CRHR diminished.

- Results in damage to, the disruption of, or otherwise adversely affects an important historical resource such that its integrity could be compromised or its eligibility for future listing in the CRHR diminished.

No cultural or archaeological resources have been documented within the Project area. However, an unanticipated discovery is possible and an Unanticipated Discovery Plan will be prepared.

3.1.4 Hazards and Hazardous Materials

A potentially significant Hazards and Hazardous Materials impact exists if:

- Current or future operations may not be consistent with federal, state or local regulations (note: conformance with regulations does not necessarily mean that no significant hazard related impacts exist).

- Any facility or operation, existing or proposed, does not conform to its contingency plans or other hazard or risk related plans that are in effect.

- There is a potential for fires, explosions, releases of flammable or toxic materials, or any other accidents that could cause injury or death to members of the public.

- Existing and proposed emergency response capabilities are not adequate to effectively mitigate emergency conditions the project has the potential for causing.

Project-related hazards potentially include accidental releases of fuel, oil, or hydraulic fluids from the barges. A Spill Prevention, Control and Countermeasure Plan (SPCCP) will be prepared for the proposed Project as required by the Storm Water Pollution Prevention Plan (SWPPP) and would include action measures to minimize the potential for accidental releases of hazardous materials into the environment. The Applicant would follow all applicable hazards and hazardous materials regulations for the use, transportation, or disposal of hazardous materials.

3.1.5 Hydrology and Water Quality

An impact to Hydrology and Water Quality is considered significant if:

- The water quality objectives promulgated by the Regional Water Quality Control Board with jurisdiction over the region affected by the Project are exceeded.

- The water quality criteria contained in the Proposed California Toxics Rule are exceeded.

- Project operations or discharges change background levels of chemical and physical constituents or elevate turbidity levels such that long-term changes in the receiving environment of the site, area or region occur, or such that beneficial uses of the receiving water are impaired or degraded.

- Contaminant levels in the water column, sediment, or biota are increased to levels shown to have the potential to cause harm to marine organisms even if the levels do not exceed formal objectives.

The Project site is within the jurisdiction of the San Francisco Bay Regional Water Quality Control Board (SFBRWQCB), which has the authority to implement water quality protection standards through the issuance of permits for discharges to waters at locations within its jurisdiction. All sand mining leases are within the jurisdiction of the SFBRWQCB and the Applicant is operating under current permits.

3.1.6 Land Use and Planning

A Land Use and Planning impact is considered significant if it;

- Conflicts with adopted land use plans, policies or ordinances;

- Results in conflicts with planning efforts to protect the recreational resources of an area;

- Results in incompatible adjacent land uses as defined by planning documentation;

- Results in residual impacts on sensitive water recreation areas, including shoreline lands and river banks that are host only to non-water recreation activities;

- Conflicts with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect; or

- Conflicts with any applicable habitat conservation plan or natural community conservation plan.

The San Francisco Estuary Project Comprehensive Conservation and Management Plan (CCMP) land use section seeks to enhance the Estuary, while ensuring economic development to meet vital housing, transportation and other needs. While current operations are not in direct conflict with the CCMP, coordination with responsible agencies may be required to avoid conflicts. Other plans that will require discussion in the EIR and coordination include, but are not limited to, the Suisun Marsh Plan, the Delta Risk Management Strategy, the Delta Vision Process, the Bay Delta Conservation Plan, and the California Five-year Infrastructure Plan (2006).

3.1.7 Mineral Resources

A Mineral Resource impact is considered significant if it:

- Results in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state.

- Results in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

The primary mineral resource in the project area is the sand that is currently being mined. At this time it is uncertain how, and in what quantities, this sand is being replenished by natural processes.

In addition to summarizing existing scientific information, the Sand Study 2004 developed and presented a conceptual model of Bay-Delta Estuary sediment dynamics, summarizing the various sources of sand in Suisun Bay and Central Bays and describing trends in accretion and depletion of sediment in areas where sand mining has occurred. Accordingly, the Sand Study 2004 may assist in providing a basis to predict the physical changes that may result from extending the sand mining leases and granting related authorizations for the additional 10-year term. Additional surveys, including but not limited to bathymetric surveys by either single or multi-beam sonar and sand replenishment monitoring may be necessary to determine the degree to which mitigation measures reduce impacts to mineral resources.

3.2 No Impact / Less-Than-Significant Impact to be addressed in the EIR:

Based upon preliminary review, the CSLC staff has determined that the proposed Project may have a less-than-significant impact or no impact on the issue areas identified below. Note that impacts stemming from a growth inducing or cumulative effect and environmental justice impacts are discussed separately in a following section, and that these assessments are based upon a preliminary review only. The primary reasons for the preliminary determinations made for each area are as follows:

Aesthetics –
The proposed Project is not anticipated to involve any changes to current operations; therefore, no new impact to aesthetics would be expected to occur.

Agricultural Resources –
There are no agricultural resources within the area of potential effect of the proposed Project; therefore, no impact to agricultural resources would be expected to occur.

Geology and Soils –
The proposed project would disturb the substrate in the Bay within the proposed lease areas, but is not anticipated to involve any changes to current operations. Current operations have no significant impact; therefore, no new impacts would be expected to occur.

Noise –
The proposed Project is not anticipated to involve operational noise greater than that presently resulting from current operations, therefore, no new noise impact would be expected to occur.

Population and Housing –
The Project would not result in the direct construction of additional housing units. Therefore, construction of the Project would not directly or indirectly induce substantial population growth.

Public Services –
The Project would not directly increase demands on or require the construction of additional fire or police facilities, school facilities, park spaces, or any other public service, therefore, no impact to public services would be expected to occur.

Recreation –
Existing operations do not significantly affect recreation in the Central Bay or Suisun Bay. As no expansion of existing facilities is proposed, no additional impacts to recreation are anticipated.

Transportation –
The proposed Project is not anticipated to involve any changes to current operations. Current operations are not impacting transportation; therefore, no new impact to transportation would be expected to occur.

Utilities and Service Systems –
The Project would not require the expansion of existing facilities, and thus no additional impact beyond current operations would be expected to occur.

3.3 Special Impact Areas

Cumulative Impacts

The CEQA requires an examination of the potential for a Project to have cumulative impacts when considered in conjunction with other Projects proposed and/or approved within a region. The Cumulative Projects Study Area for this Project is presently defined as proposed and approved projects in the greater San Francisco Bay Area. The EIR will contain a discussion of cumulative impacts of the proposed Project.

Growth-Inducing Impacts

The CEQA requires a discussion of the ways in which a proposed Project could be an inducement to growth. The State CEQA Guidelines (section 15126.2(d)) identify a project to be growth-inducing if it fosters or removes obstacles to economic or population growth, provides new employment, extends access or services, taxes existing services, or causes development elsewhere. The EIR will contain a discussion of potential growth-inducing impacts of the proposed Project.

Environmental Justice

An Environmental Justice impact is considered significant if a proposed Project:

- Has a potential to disproportionately impact minority and/or low income populations in areas in which the Project is located.

- Results in a substantial disproportionate decrease in the employment and economic base of minority and/or low-income populations residing in the County and/or immediately surrounding cities.

The CSLC developed and adopted an Environmental Justice Policy to ensure equity and fairness in its own processes and procedures. This policy stresses equitable treatment of all members of the public and commits to consider environmental justice in its processes, decision-making, and regulatory affairs which is implemented, in part, through identification of, and communication with, relevant populations that could be adversely and disproportionately impacted by CSLC projects or programs, and by ensuring that a range of reasonable alternatives is identified that would minimize or eliminate environmental impacts affecting such populations.

The EIR will analyze the distributional patterns of high-minority and low-income populations on a regional basis. The analysis will focus on whether the proposed Project's impacts would have the potential to affect an area(s) with high-minority population(s) and on low-income communities disproportionately, thereby creating an environmental justice impact.